

From: Eric Bailey
To: Microsoft ATR
Date: 1/17/02 1:44pm
Subject: Microsoft Settlement

Hello,

Let me begin by saying that the proposed settlement involving donations to educational institutions is like handing Microsoft a golden ticket on a monopolistic train ride. But more on that later.

First, I think a "Competitive Market Advancement" plan should be included in the settlement. This would require Microsoft to fund development in other computing companies, namely Apple Computer and Sun Microsystems. A donation of \$250 million to \$1 billion to each company would seem appropriate. Such funds would allow these companies to take on the staff and fund the research and development required for true technology advancements. I believe that only when these two much smaller companies have greatly superior technology will they be able to compete with Microsoft.

I chose Apple because it is the only true competitor to Microsoft in the consumer and education markets. The core of Apple's new OS X operating system, Darwin, is open source and freely modifiable by third-party developers. Apple's operating system also attempts to "play nice" by being compatible with both Windows and Unix environments.

Sun Microsystems competes in the server and programming language markets. Sun's high-end servers match anything from Microsoft. But the real value in Sun stems from the Java programming language. The language was designed from the ground-up to be platform agnostic. For the most part, I can take a java application in a .jar file and transfer it from Mac OS X to Windows to Solaris to Linux. It is such flexibility that gives consumers choice and wouldn't bind them to a single computing platform because of software needs.

Secondly, I am very worried about Microsoft's recent acquisition of Silicon Graphics' (SGI) patents on 3D graphics technology. OpenGL and many underlying technologies have been transferred to Microsoft's control. The result is that Microsoft may eliminate OpenGL, the freely open graphics library, for its own Direct3D proprietary graphics library. It may even use incentives to graphics card manufacturers that force them to drop OpenGL support for Direct3D. Also affected would be Apple Computer (which embraces OpenGL at the core of its operating system) and countless video game companies, such as Electronic Arts, Nintendo, and Sega.

Now, on to the current settlement. Essentially, low-income schools would be granted computing equipment and software from Microsoft.

Suddenly, Microsoft's share in the education market increases. Wasn't the settlement supposed to penalize Microsoft for unfair market dominance? How are these schools ever going to afford a competing platform? Especially given the "deals" on Microsoft software/Intel hardware versus the sideline concessions for Apple products?

Such a settlement connotes, "Please continue your monopoly, Microsoft, and as a gift, please take more of the educational market you've found difficult to crack in the past."

If any settlement terms include education, they should be for financial grants only, thus allowing the schools themselves to decide on the computing equipment they need. No special deals on Microsoft-only products should be allowed.

Thank you very much for your time, and I hope to see a fitting resolution to this case soon,

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